IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO.606 OF 2006

IN

COMPANY APPLICATION NO.641 OF 2006

In the matter of Section 391 and 394 of the Companies Act, 1956.

And

In the matter of Scheme of Amalgamation of Concentric Engineering Private Limited with Concentric Pumps (India) Private Limited

Concentric Engineering Private Limted .. Petitioner

WITH

COMPANY PETITION NO.607 OF 2006

IN

COMPANY APPLICATION NO.642 OF 2006

In the matter of Sections 391 and

394 of the Companies Act, 1956

And

In the matter of Scheme of Amalgamation of Concentric Engineering Private Limted with Concentric Pumps (India) Private Limited

Concentric Pumps (India) Private Limited .. Petitioner.

Shri.Vishwajit P.Sawant for the petitioner.
Mrs.K.V.Gautam, Dy.O.L.
Ms.Madhuri Gaikwad i/b.P.Kapoor for R.D.

CORAM : S.C.DHARMADHIKARI, J.
DATE : 2ND FEBRUARY, 2007.

P.C.:

1. At the outset, Shri.Sawant appearing in support of these petitions states that one of the unsecured creditor who has raised the objection to the sanction of the scheme of amalgamation has now forwarded his no objection in writing in as much as the claim of such objector has been fully settled.

2. A copy of the letter dated 17th January, 2007 is taken on record.

3. These petitions seek sanction to the scheme of amalgamation invoking the provisions of Sec.391 and 394 of Companies Act, 1956.

4. The salient features of the scheme are set out in the petitions. Relevant statutory provisions have been complied with in as much as the meetings have been dispensed with by this Court. All particulars relevant to sanction of the scheme are also set out including the latest financial position. The necessary disclosures and the declarations are also given. Shri.Sawant states that a copy of the petition together with the annexures has been forwarded to the R.D. and O.L.

5. The R.D. has filed an affidavit and relying upon the report of the R.O.C., copy of which is annexed to the affidavit, has stated that there are no criminal proceedings pending against the company and its directors for violation of the enactments/statutes referred to in the R.D.'s report. His statements are based upon the affidavits of the directors, copies of which are also

annexed.

6. Although, it is contended that the share exchange ratio is not specifically stated in the valuation report, Shri.Sawant has handed over the clarification given by the Chartered Accountant in writing.

7. The R.D. has no objection to the scheme being sanctioned by this Court but has pointed out that although the scheme incorporates the exchange ratio and the valuation in that behalf, the Chartered Accountant's report is silent with regard to the same. This aspect does not survive now as the issue is clarified by the Chartered Accountant, now.

8. As far as the compliance with regard to changes in the object clause, Shri.Sawant, after taking instructions makes a statement that if the object clause in the Memorandum undergoes a change, provisions for amendment in the Companies Act, would be complied with. He has also stated that the petitioners are registered under the Companies Act, 1956. The concerned Registrar is at Pune and the word "Mumbai" has appeared erroneously. Clauses 3.16 and 3.20 of the scheme are permitted to be amended in the light of these clarifications. Amendment to be

carried out within a period of two weeks from today.

9. The R.D. in his affidavit has stated that the scheme is not prejudicial to the interest of creditors and shareholders so also general public. The O.L. has also relied upon the report of the C.A. who has scrutinised the books of accounts and related papers of the transferor company for the last five years. They have got satisfactory replies and explanations from the concerned officers of the transferor company. The C.A. has opined that the affairs are not carried out in a manner prejudicial to the interest of members or general public. The O.L. has arrived at the same conclusion based upon a perusal of all reports and scrutiny of the subject papers.

10. In my view, considering all these materials, sanction to the scheme would not prejudice everybody concerned with it.

11. Accordingly, Company Petition No.606 of 2006 is made absolute in terms of prayer clauses (a) to (i) and Company Petition No.607 of 2006 is made absolute in terms of prayer clauses (a) to (i). Costs of R.D. and O.L. quantified at Rs.2,500/- each. Drawn up order dispensed with. All concerned to act on authenticated copy of this

order and the scheme.

(S.C.Dharmadhikari, J.)